

SERVISENSE.COM, INC.
EXHIBIT 2

(Question 7)

Articles of Incorporation and Copy of Certificate of Authority to Transact Business in Illinois

State of Illinois
Office of
The Secretary of State

Whereas, APPLICATION FOR CERTIFICATE OF AUTHORITY TO TRANSACT
BUSINESS IN THIS STATE OF
SERVISENSE.COM, INC.
INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE HAS BEEN FILED
IN THE OFFICE OF THE SECRETARY OF STATE AS PROVIDED BY THE BUSINESS
CORPORATION ACT OF ILLINOIS, IN FORCE JULY 1, A.D. 1984.

Now Therefore, I, Jesse White, Secretary of State of the State of
Illinois, by virtue of the powers vested in me by law, do hereby issue
this certificate and attach hereto a copy of the Application of the
aforesaid corporation.

In Testimony Whereof, I hereto set my hand and cause to be
affixed the Great Seal of the State of Illinois,
at the City of Springfield, this 7TH
day of MARCH A.D. 2000 and of
the Independence of the United States the two
hundred and 24TH .



C-212.3

Jesse White

Secretary of State



OFFICE OF THE SECRETARY OF STATE

JESSE WHITE • Secretary of State

MARCH 7, 2000

6094-613-2

SERVISENSE COM
180 WELLS AVE
NEWTON CENTRE, MA 02459

RE SERVISSENSE.COM, INC.

DEAR SIR OR MADAM:

IT IS OUR PLEASURE TO APPROVE YOUR REQUEST TO TRANSACT BUSINESS IN THE STATE OF ILLINOIS. ENCLOSED PLEASE FIND A CERTIFICATE OF AUTHORITY, ACKNOWLEDGING YOUR REGISTRATION.

THESE DOCUMENTS MUST BE RECORDED IN THE OFFICE OF THE RECORDER OF THE COUNTY IN ILLINOIS IN WHICH THE REGISTERED OFFICE OF THE CORPORATION IS LOCATED, AS PROVIDED BY SECTION 1.10 OF THE BUSINESS CORPORATION ACT OF THIS STATE. FOR FURTHER INFORMATION CONTACT YOUR RECORDER OF DEEDS.

THE CORPORATION MUST FILE AN ANNUAL REPORT AND PAY FRANCHISE TAXES PRIOR TO THE FIRST DAY OF ITS ANNIVERSARY MONTH (MONTH OF QUALIFICATION) NEXT YEAR. A PRE-PRINTED ANNUAL REPORT FORM WILL BE SENT TO THE REGISTERED AGENT AT THE ADDRESS SHOWN ON THE RECORDS OF THIS OFFICE APPROXIMATELY 60 DAYS PRIOR TO ITS ANNIVERSARY MONTH.

SECURITIES CANNOT BE ISSUED OR SOLD EXCEPT IN COMPLIANCE WITH THE ILLINOIS SECURITIES LAW OF 1953, 815 ILLINOIS COMPILED STATUTES, 5/1 ET SEQ. FOR FURTHER INFORMATION, CONTACT THE OFFICE OF THE SECRETARY OF STATE, SECURITIES DEPARTMENT AT (217) 782-2256 OR (312) 793-3384.

SINCERELY YOURS,

Jesse White
JESSE WHITE
SECRETARY OF STATE

DEPARTMENT OF BUSINESS SERVICES
CORPORATION DIVISION
TELEPHONE (217) 782-6961

JW:CD

State of Delaware
Office of the Secretary of State

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I, EDWARD J. FREEL, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED ARE TRUE AND CORRECT COPIES OF ALL DOCUMENTS ON FILE OF "SERVISENSE.COM, INC." AS RECEIVED AND FILED IN THIS OFFICE.

THE FOLLOWING DOCUMENTS HAVE BEEN CERTIFIED:

CERTIFICATE OF INCORPORATION, FILED THE TWENTIETH DAY OF JANUARY, A.D. 2000, AT 9 O'CLOCK A.M.

CERTIFICATE OF MERGER, FILED THE TWENTY-SECOND DAY OF FEBRUARY, A.D. 2000, AT 9 O'CLOCK A.M.



3164242 8100H

001216521


Edward J. Freel, Secretary of State

AUTHENTICATION: 0407332

DATE: 04-28-00

CERTIFICATE OF INCORPORATION
OF
SERVISENSE.COM, INC.

FIRST. The name of the Corporation is ServiSense.com, Inc.

SECOND. The address of the Corporation's registered office in the State of Delaware is Corporation Service Company, 1013 Centre Road, in the City of Wilmington, County of New Castle. The name of its registered agent at such address is Corporation Service Company.

THIRD. The nature of the business or purposes to be conducted or promoted by the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

FOURTH. The total number of shares of all classes of stock which the Corporation shall have authority to issue is 25,000,000 shares, consisting of (i) 20,000,000 shares of Common Stock, \$.001 par value per share ("Common Stock"), and (ii) 5,000,000 shares of Preferred Stock, \$.001 par value per share ("Preferred Stock").

The following is a statement of the designations and the powers, privileges and rights, and the qualifications, limitations or restrictions thereof in respect of each class of capital stock of the Corporation:

I. COMMON STOCK

A. General. The voting, dividend and liquidation rights of the holders of the Common Stock are subject to and qualified by the rights of the holders of the Preferred Stock of any series as may be designated by the Board of Directors upon any issuance of the Preferred Stock of any series.

B. Voting. At all meetings of stockholders (and in actions in lieu of meetings) the holders of the Common Stock are entitled to one vote for each share held. There shall be no cumulative voting.

C. Dividends. Dividends may be declared and paid on the Common Stock from funds lawfully available therefor as and when determined by the Board of Directors and subject to any preferential dividend rights of any then outstanding Preferred Stock.

D. Liquidation. Upon the dissolution or liquidation of the Corporation, whether voluntary or involuntary, holders of Common Stock will be entitled to receive all assets of the Corporation available for distribution to its stockholders, subject to any preferential rights of any then outstanding Preferred Stock.

II. PREFERRED STOCK

A. General

Preferred Stock may be issued from time to time in one or more series, each of such series to have such terms as stated or expressed herein and in the resolution or resolutions providing for the issue of such series adopted by the Board of Directors of the Corporation as hereinafter provided. Any share of Preferred Stock redeemed, purchased or acquired by the Corporation may be reissued except as otherwise provided by law. Different series of Preferred Stock shall not be construed to constitute different classes of shares for the purposes of voting by classes unless expressly provided.

Authority is hereby expressly granted to the Board of Directors from time to time to issue the Preferred Stock in one or more series, and in connection with the creation of any such series, by resolution or resolutions providing for the issue of the shares thereof, to determine and fix such voting powers, full or limited, or no voting powers, and such designations, preferences and relative participating, optional or other special rights, and qualifications, limitations or restrictions thereof, including without limitation thereof, dividend rights, conversion rights, redemption privileges and liquidation preferences, as shall be stated and expressed in such resolutions, all to the full extent now or hereafter permitted by the General Corporation Law of Delaware. Without limiting the generality of the foregoing, the resolutions providing for issuance of any series of Preferred Stock may provide that such series shall be superior or rank equally or be junior to the Preferred Stock of any other series to the extent permitted by law. No vote of the holders of the Preferred Stock or the Common Stock shall be a prerequisite to the issuance of any shares of any series of the Preferred Stock authorized by and complying with the conditions of the Certificate of Incorporation, the right to have such vote being expressly waived by all present and future holders of the capital stock of the Corporation. The Corporation has designated Series A Convertible Preferred Stock, Series B Convertible Preferred Stock and Series C Convertible Preferred Stock, with the rights, preferences and privileges set forth below.

B. Description of Series A Convertible Preferred Stock. All of the rights, preferences and privileges granted to or imposed on the Series A Convertible Preferred Stock and the holders thereof are as follows:

1. Designation. A total of 500,000 shares of the Corporation's Preferred Stock shall be designated the "Series A Convertible Preferred Stock". As used herein, the term "Preferred Stock" used without references to the Series A Convertible Preferred Stock means the shares of Series A Convertible Preferred Stock, and the shares of any series of Preferred Stock of the Corporation issued, authorized and designated from time to time by a resolution or resolutions of the Board of Directors, share for share alike and without distinction as to class, except as otherwise expressly provided for in this Article Fourth of this Certificate of Incorporation or as the context otherwise requires.

2. Dividends.

- (a) The Series A Convertible Preferred Stock is entitled to receive, out of funds legally available therefor, when, as and if declared such noncumulative dividends as may be declared by the Board of Directors of the Corporation. No dividends or distributions (other than dividends or

distributions payable solely in shares of Common Stock of the Corporation) shall be paid, declared or set aside, and no other distribution shall be made, on or with respect to the Common Stock of the Corporation in any fiscal year of the Corporation until all declared and unpaid dividends on the Series A Preferred Stock shall have been paid or set apart.

- (b) In the event this Corporation shall declare any other cash dividend or any distribution payable in securities of other persons, evidences of indebtedness issued by this Corporation or other persons, assets (including cash dividends) or options or rights to purchase any such securities or evidences of indebtedness, then, in each such case the holders of the Series A Convertible Preferred Stock on the record date fixed for the determination of the holders of the Common Stock of the Corporation entitled to receive such distribution shall be entitled to a proportionate shares of any such dividend or distribution as though the holders of the Series A Convertible Preferred Stock were the holders of the number of shares of Common Stock of the Corporation into which their respective shares of Series A Convertible Preferred Stock are convertible as of the record date fixed for the determination of the holders of Common Stock of the Corporation entitled to receive such distribution.

3. Voting Rights. Each holder of shares of Series A Convertible Preferred Stock shall be entitled to that number of votes equal to the number of shares of Common Stock into which such shares of Series A Convertible Preferred Stock could be converted, on the record date for the vote or consent of stockholders. Each holder of shares of Series A Convertible Preferred Stock shall have voting rights and powers equal to the voting rights and powers of the Common Stock and shall have the right to vote with holders of Common Stock upon any matter except for matters required by law to be submitted to a class vote.

4. Conversion. The holders of the Series A Convertible Preferred Stock shall have conversion rights as follows (the "Conversion Rights"):

(a) Right to Convert; Automatic Conversion.

(1) Each share of Series A Convertible Preferred Stock shall be convertible into Common Stock, at the option of the holder thereof, at any time after the date of issuance of such share. Each share of Series A Convertible Preferred Stock shall be convertible at the office of the Corporation or any transfer agent for the Series A Convertible Preferred Stock. The number of shares of Common Stock into which each share of Series A Convertible Preferred Stock may be converted shall be equal to \$0.4175 divided by the Conversion Price for the Series A Convertible Preferred Stock (as hereinafter defined). The Conversion Price for the Series A Convertible Preferred Stock shall initially be \$0.4175, subject to adjustment as provided herein. (The number of shares of Common Stock into which each share of Series A Convertible Preferred Stock may be converted is hereinafter referred to as the "Conversion Rate" for such series.) Upon any decrease or increase in the Conversion Price or the Conversion Rate for the

Series A Convertible Preferred Stock, as described in this Section 4, the Conversion Rate or Conversion Price for the Series A Convertible Preferred Stock, as the case may be, shall be appropriately increased or decreased.

(2) Each share of Series A Convertible Preferred Stock shall automatically be converted into shares of Common Stock at the then effective applicable Conversion Rate immediately prior to the closing of an underwritten firm commitment public offering covering the Corporation's Common Stock pursuant to an effective registration statement on Form S-1 pursuant to the Securities Act of 1933; provided that such offering results in gross proceeds to the Corporation of at least \$10,000,000 and that the public offering price (prior to the underwriters' commission and expenses) is at least \$0.4175 per share (adjusted to reflect subsequent stock dividends, stock splits, combinations, recapitalizations and the like). Upon such an automatic conversion event, the outstanding shares of Series A Convertible Preferred Stock will be converted automatically into shares of Common Stock without further action by the holders, whether or not the certificates representing such shares are surrendered to the Corporation or its transfer agent; provided, however, that the Corporation will not be obligated to issue certificates evidencing the shares of Common Stock issuable upon such conversion unless certificates evidencing such shares of the Series A Convertible Preferred Stock being converted are either delivered to the Corporation or any transfer agent, as hereinafter provided, or the holder notifies the Corporation or any transfer agent as hereinafter provided that such certificates have been lost, stolen, or destroyed and executes an agreement satisfactory to the Corporation to indemnify the Corporation from any loss incurred by it in connection therewith. Upon the automatic conversion of the Series A Convertible Preferred Stock, the holders will surrender the certificates representing such shares at the office of the Corporation or of any transfer agent for the Common Stock. Thereupon, there will be issued and delivered to each such holder, promptly at such office and in its name as shown on such surrendered certificate or certificates, a certificate or certificates for the number of shares of Common Stock into which the shares of the Series A Convertible Preferred Stock surrendered were convertible on the date on which such automatic conversion occurred.

(3) Fractional Shares. No fractional shares of Common Stock shall be issued upon conversion of Series A Convertible Preferred Stock, and any shares of Series A Convertible Preferred Stock surrendered for conversion which would otherwise result in a fractional share of Common Stock shall be redeemed for the then fair market value thereof as determined by the Corporation's Board of Directors, payable as promptly as possible whenever funds are legally available therefor. If more than one share of Series A Convertible Preferred Stock is surrendered for conversion at any one time by the same holder, the number of full shares of Common Stock to be issued upon conversion shall be computed on the basis of the aggregate number of shares of Series A Convertible Preferred Stock so surrendered.

(b) Mechanics of Conversion. Before any holder of Series A Convertible Preferred Stock shall be entitled to convert the same into shares of Common Stock, such holder shall surrender the certificate or certificates therefor, duly endorsed, at the office of the Corporation or of any transfer agent for the Series A Convertible Preferred Stock, and shall given written notice to the Corporation at such office that such holder elects to convert the same and

shall state therein the name or names in which such holder wishes the certificate or certificates for shares of Common Stock to be issued. The Corporation shall, as soon as practicable thereafter, issue and deliver at such office to such holder of Series A Convertible Preferred Stock, or to such holder's nominee or nominees, a certificate or certificates for the number of shares of Common Stock to which it shall be entitled as aforesaid. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of such surrender of the shares of Series A Convertible Preferred Stock to be converted, and the person or persons entitled to receive the shares of Common Stock issuable upon such conversion shall be treated for all purposes as the record holder or holders of such shares of Common Stock on such date.

(c) Adjustment for Subdivision or Combinations of Common Stock. In the event the Corporation at any time or from time to time after the date of filing of these Certificate of Incorporation effects a subdivision or combination of its outstanding Common Stock into a greater or lesser number of shares without a proportionate and corresponding subdivision or combination of its outstanding Series A Convertible Preferred Stock, then in each such event the Conversion Rate for the Series A Convertible Preferred Stock shall be increased or decreased proportionately.

(d) Adjustment for Dividends, Distributions and Common Stock Equivalents. In the event the Corporation at any time or from time to time after the date of filing of this Certificate of Incorporation shall make or issue, or fix a record date for the determination of holders of Common Stock entitled to received a dividend or other distribution payable in additional shares of Common Stock or other securities or rights (hereinafter referred to as "Common Stock Equivalents") convertible into or entitling the holder thereof to receive additional shares of Common Stock without payment of any consideration by such holders for such Common Stock Equivalents or the additional shares of Common Stock, then in each such event the maximum number of shares (as set forth in the instrument relating thereto without regard to any provisions contained therein for a subsequent adjustment of such number) of Common Stock issuable in payment of such dividend or distribution or upon conversion or exercise of such Common Stock Equivalents shall be deemed to be issued and outstanding as of the time of such issuance or, in the event such a record date shall have been fixed, as of the close of business on such record date. In each such event the Conversion Rate for the Series A Convertible Preferred Stock shall be increased as of the time of such issuance or, in the event such a record date shall have been fixed, as of the close of business on such record date, by multiplying the Conversion Rate for such series by a fraction,

(A) the numerator of which shall be the total number of shares of Common Stock issued and outstanding or deemed to be issued and outstanding immediately prior to the time of such issuance or the close of business on such record date plus the number of shares of Common Stock issuable in payment of such dividend or distribution or upon conversion or exercise of such Common Stock Equivalents; and

(B) the denominator of which shall be the total number of shares of Common Stock issued and outstanding or deemed to be issued

and outstanding immediately prior to the time of such issuance or the close of business on such record date; provided, however, (i) if such record date shall have been fixed and such dividend is not fully paid or if such distribution is not fully made on the date fixed therefor, the Conversion Rate for such series shall be recomputed accordingly as of the close of business on such record date and thereafter the Conversion Rate for such series shall be adjusted pursuant to this Subsection 4(d) as of the time of actual payment of such dividends or distribution; (ii) if such Common Stock Equivalents provide, with the passage of time or otherwise, for any decrease in the number of shares of Common Stock issuable upon conversion or exercise thereof, the Conversion Rate for such series shall, upon any such decrease becoming effective, be recomputed to reflect such decrease insofar as it affects the rights of conversion or exercise of the Common Stock Equivalents then outstanding; and (iii) upon the expiration of any rights or conversion or exercise under any unexercised Common Stock Equivalents, the Conversion Rate for such series computed upon the original issue thereof shall, upon such expiration, be recomputed as if the only additional shares of Common Stock issued were the shares of such stock, if any, actually issued upon the conversion or exercise of such Common Stock Equivalents.

(e) No Impairment. The Corporation will not through any reorganization, transfer of assets, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Corporation, but will at all times in good faith assist in the carrying out of all the provisions of this Section 4 and in the taking of all such action as may be necessary or appropriate in order to protect the Conversion Rights of the holders of the Series A Convertible Preferred Stock against impairment.

(f) Certificate as to Adjustments. Upon the occurrence of each adjustment or readjustment of the Conversion Rate of the Series A Convertible Preferred Stock pursuant to this Section 4, the Corporation at its expense shall promptly compute such adjustment or readjustment in accordance with the terms hereof and prepare and furnish to each holder of Series A Convertible Preferred Stock a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. The Corporation shall, upon the written request at any time of any holder of Series A Convertible Preferred Stock, furnish or cause to be furnished to such holder a like certificate setting forth (A) such adjustments and readjustments, (B) the Conversion Rate for the Series A Convertible Preferred Stock at the time in effect, and (C) the number of shares of Common Stock and the amount, if any, of other property which at the time would be received upon the conversion of the Series A Convertible Preferred Stock.

(g) Notice of Record Date. In the event that the Corporation shall propose at any time: (A) to declare any dividend or distribution upon its Common Stock, whether in cash, property, stock or other securities and whether or not a regular cash dividend; (B) to offer for subscription pro rata to the holders of any class or series of its stock any additional shares of

stock of any class or series or other rights; (C) to effect any reclassification or recapitalization of its Common Stock outstanding involving a change in the Common Stock; or (D) to merge with or into any other corporation, or sell, lease or convey all or substantially all of its assets, to redeem or to liquidate, dissolve or wind up; then, in connection with each such event, the Corporation shall send to the holders of Series A Convertible Preferred Stock: (i) at least one (1) days' prior written notice of the date on which a record shall be taken for such dividend, distribution or subscription rights (and specifying the date on which the holders of Common Stock shall be entitled thereto) or for determining rights to vote, if any, in respect of the matters referred to in (C) and (D) above; and (ii) in the case of the matters referred to in (C) and (D) above, at least one (1) days' prior written notice of the date when the same shall take place (and specifying the date on which the holders of Common Stock shall be entitled to exchange their Common Stock for securities or other property deliverable upon the occurrence of such event).

(h) Reservation of Stock Issuable Upon Conversion. The Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock solely for the purpose of effecting the conversion of the shares of the Series A Convertible Preferred Stock such number of its shares of Common Stock as shall from time to time be sufficient to effect the conversion of all then outstanding shares of the Series A Convertible Preferred Stock; and if at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of the Series A Convertible Preferred Stock, the Corporation will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purpose.

5. Liquidation Preference.

(a) In the event of any liquidation, dissolution or winding up of the Corporation, either voluntary or involuntary, the holders of the Series A Convertible Preferred Stock shall be entitled to receive, prior and in preference to any distribution of any of the assets or surplus funds of the Corporation to the holders of the Common Stock by reason of their ownership thereof, the following amounts on each share of Series A Convertible Preferred Stock then held by them (such amounts are collectively referred to herein as a "Liquidation Preference"): (A) an amount of \$0.4175 per share; and (B) an amount equal to all declared but unpaid dividends on each share, determined in accordance with the provisions of Section 2 above.

(b) After payment has been made to the holders of the Series A Convertible Preferred Stock of the full Liquidation Preference to which they shall be entitled as aforesaid, the holders of Series A Convertible Preferred Stock shall not receive any further portion of the remaining assets of the Corporation available for distribution to its shareholders and all such remaining assets shall be distributed to the holder of the Common Stock.

(c) For purposes of this Section 5, (A) any acquisition of the Corporation by means of merger or other form of corporate reorganization with or into another corporation in which outstanding shares of this Corporation are exchanged for securities or other consideration issued, or caused to be issued, by the other corporation or its subsidiary, in which

transaction this Corporation is not the surviving entity, and, as a result of which transaction, the shareholder of this Corporation own Fifty Percent (50%) or less of the voting power of the surviving entity (other than a mere reincorporation transaction), or (B) a sale, transfer or lease (other than a pledge or grant of a security interest to a bona fide lender) of all or substantially all of the assets of the Corporation (other than to or by a wholly-owned subsidiary of the Corporation), shall be treated as a liquidation, dissolution or winding up of the Corporation and shall entitle the holders of Series A Convertible Preferred Stock to receive at the closing of any such transactions their Liquidation Preference.

(d) Whenever the distribution provided for in this Section 5 shall be payable in property other than cash, the value of such distribution shall be the fair market value of such property as determined in good faith by the Board of Directors.

6. Redemption Provisions.

(a) The Corporation may, at any time it may lawfully do so, at the option of its Board of Directors, redeem all (but not less than all) of the outstanding shares of the Series A Convertible Preferred Stock on or at any time after the third calendar anniversary of the issuance of such shares, by paying in cash the original issue price per share compounded at thirty percent (30%) per year from the original issuance date to the redemption date (such amount, as applicable, being referred to in this Subsection 6 and hereafter as the "Redemption Price").

(b)(1) At least ten (10) days prior to the date fixed for redemption of Series A Convertible Preferred Stock (the "Redemption Date"), written notice shall be mailed in the manner provided in Section 4(g) above to each holder of record (at the close of business on the business day next preceding the day on which notice is give) of the Series A Convertible Preferred Stock. Such written notice shall notify each such holder of the redemption to be effected, specifying the Redemption Date, the Redemption Price, and the place at which payment may be obtained, the date on which such holder's Conversion Rights as to such shares shall terminate and calling upon such holder to surrender to the Corporation or the transfer agent for the Series A Convertible Preferred Stock, in the manner and at the place designated, his certificate or certificates representing the shares to be redeemed. Such notice shall hereinafter be referred to as the "Redemption Notice." Except as provided in Subsection 6(b)(2), on or after the Redemption Date each holder of Series A Convertible Preferred Stock to be redeemed shall surrender to the Corporation or the transfer agent, as applicable, the certificate or certificates representing such shares to be redeemed, in the manner and at the place designated in the Redemption Notice, and thereupon the Redemption Price of such shares to be redeemed shall be payable to the order of the person whose name appears on such certificate or certificates as the owner thereof and each surrendered certificate shall be cancelled.

(2) From and after the close of business on the Redemption Date, unless there shall have been a default in payment of the Redemption Price, all rights of the holders of such shares to be redeemed as holders of Series A Convertible Preferred Stock (except the right to receive the Redemption Price without interest upon surrender of their certificate or certificates), including without limitation, rights to dividends, shall cease with respect to such shares, and such shares shall not thereafter be transferred on the books of the Corporation or be

deemed to be outstanding for any purpose whatsoever. If the funds of the Corporation legally available for redemption of shares of Series A Convertible Preferred Stock on any Redemption Date are insufficient to redeem the total number of shares of Series A Convertible Preferred Stock, the shares of Series A Convertible Preferred Stock shall remain outstanding and entitled to all the rights and preferences provided herein and the Redemption Notice shall be deemed null and void ab initio. At any time thereafter when additional funds of the Corporation are legally available for the redemption of all shares of Series A Convertible Preferred Stock, the Corporation may exercise its rights hereunder.

7. Protective Provisions. So long as any shares of Series A Convertible Preferred Stock are outstanding, this Corporation shall not, without first obtaining the affirmative vote or written consent of the holders of not less than a majority of the outstanding shares of the Series A Convertible Preferred Stock.

(a) amend or repeal any provision of, or add any provision to, this Corporation's Certificate of Incorporation or Bylaws which would materially and adversely affect any of the rights, powers or privileges of the shares of Series A Convertible Preferred Stock; or

(b) authorize or issue shares of any class or series of stock not authorized herein having any preference or priority as to dividends or assets superior to any such preference or priority of the Series A Convertible Preferred Stock, or authorize or issue shares of stock of any class or any bonds, debentures, notes or other obligations convertible into or exchangeable for, or having rights to purchase, any shares of stock of the Corporation having any preference or priority as to dividends or assets superior to any such preference or priority of the Series A Convertible Preferred Stock; or

(c) reclassify any shares of Common Stock or any other shares of this Corporation other than the shares of the Series A Convertible Preferred Stock into shares having any preference or priority as to dividends or assets superior to any such preference or priority of the Series A Convertible Preferred Stock; or

(d) pay or declare any dividend on the Common Stock or repurchase any shares of Common Stock (other than repurchases of shares of Common Stock from its officers, directors, employees or consultants as may be, from time to time, approved by the Board of Directors of the Company).

C.. Description of Series B Convertible Preferred Stock. All of the rights, preferences and privileges granted to or imposed on the Series B Convertible Preferred Stock and the holders thereof are as follows:

1. Designation. A total of 600,000 shares of the Corporation's Preferred Stock shall be designated the "Series B Convertible Preferred Stock". As used herein, the term "Preferred Stock" used without references to the Series B Convertible Preferred Stock means the shares of Series B Convertible Preferred Stock, and the shares of any series of Preferred Stock of the Corporation issued, authorized and designated from time to time by a resolution or resolutions of the Board of Directors, share for share alike and without distinction as to class, except as

otherwise expressly provided for in this Article Fourth of this Certificate of Incorporation or as the context otherwise requires.

2. Dividends. Dividends on the Series B Convertible Preferred Stock shall be payable when, as and if declared by the Board of Directors of the Corporation. No dividends (other than dividends or distributions payable solely in shares of Common Stock of the Corporation) shall be paid, declared or set aside, and no other distribution shall be made, on or with respect to the Common Stock of the Corporation unless and until there shall have been paid, or declared and set aside for payment dividends with respect to the Series B Convertible Preferred Stock in an amount which the holders of Series B Convertible Preferred Stock would have received if they had converted their Series B Convertible Preferred Stock into Common Stock immediately prior to the record date for such dividend or distribution.

3. Liquidation, Dissolution or Winding Up.

(a) Treatment at Liquidation, Dissolution or Winding Up. In the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, or in the event of its insolvency, before any distribution or payment is made to any holders of any shares of Common Stock or any other class or series of capital stock of the Corporation designated to be junior to the Series B Convertible Preferred Stock, and subject to the liquidation rights and preferences of any class or series of Preferred Stock designated to be senior to, or on a parity with, the Series B Convertible Preferred Stock, the holders of each share of Series B Convertible Preferred Stock shall be entitled to be paid first out of the assets of the Corporation available for distribution to holders of the Corporation's capital stock of all classes whether such assets are capital, surplus or earnings, an amount (such amount, as so determined, is referred to herein as the "Liquidation Preference") equal to \$0.95 per share of Series B Convertible Preferred Stock (which amount shall be subject to equitable adjustment whenever there shall occur a stock dividend, stock split, combination, reorganization, recapitalization, reclassification or other similar event involving a change in the capital structure of the Series B Convertible Preferred Stock).

(b) Insufficient Funds. If upon such liquidation, dissolution or winding up the assets or surplus funds of the Corporation to be distributed to the holders of shares of Series B Convertible Preferred Stock and any other then-outstanding shares of the Corporation's capital stock ranking on a parity with respect to the payments on liquidation with the Series B Convertible Preferred Stock (such shares, being referred to herein as the "Parity Preferred Stock") shall be insufficient to permit payment to such holders of the full Liquidation Preference and all other preferential amounts payable with respect to the Series B Convertible Preferred Stock and such Parity Preferred Stock, then the assets available for payment or distribution to such holders shall be allocated among the holders of the Series B Convertible Preferred Stock and such Parity Preferred Stock, pro rata, in proportion to the full respective preferential amounts to which the Series B Convertible Preferred Stock and such Parity Preferred Stock are each entitled. After payment has been made to the holders of the Series B Convertible Preferred Stock and the Parity Preferred Stock of the full Liquidation Preference and all other preferential amounts to which such holders shall be entitled as aforesaid, the holders of Series B Convertible Preferred Stock shall not receive any further portion of the remaining assets of the Corporation available for distribution to its shareholders and all such remaining assets shall be distributed to

the holders of the Common Stock, the holders of any Parity Preferred Stock designated to participate with holders of Common Stock and any other class or series of capital stock of the Corporation designated to be junior to the Series B Convertible Preferred Stock.

(c) Certain Transactions Treated as Liquidation. For purposes of this Section 3, at the election of a majority of the outstanding holders of Series B Convertible Preferred Stock, (A) any acquisition of the Corporation by means of merger or other form of corporate reorganization with or into another corporation in which outstanding shares of the Corporation are exchanged for securities or other consideration issued, or caused to be issued, by the other corporation or its subsidiary, in which transaction this Corporation is not the surviving entity, and, as a result of which transaction, the shareholders of this Corporation own 50% or less of the voting power of the surviving entity (other than a mere reincorporation transaction), or (B) a sale, transfer or lease (other than a pledge or grant of a security interest to a bona fide lender) of all or substantially all of the assets of the Corporation (other than to or by a wholly-owned subsidiary of the Corporation), shall be treated as a liquidation, dissolution or winding up of the Corporation and shall entitle the holders of Series B Convertible Preferred Stock to receive at the closing of any such transactions their Liquidation Preference.

(d) Distributions of Property. Whenever the distribution provided for in this Section 3 shall be payable in property other than cash, the value of such distribution shall be the fair market value of such property as determined in good faith by the Board of Directors.

4. Voting Power.

(a) General. Except as otherwise expressly provided in Section 7 hereof or as otherwise required by law, each holder of Series B Convertible Preferred Stock shall be entitled to vote on all matters and shall be entitled to that number of votes equal to the largest number of whole shares of Common Stock into which such holder's shares of Series B Convertible Preferred Stock could be converted, pursuant to the provisions of Section 5 hereof, at the record date for the determination of stockholders entitled to vote on such matter or, if no such record date is established, at the date such vote is taken or any written consent of stockholders is solicited. Except as otherwise expressly provided in Section 7 hereof or as otherwise required by law, the holders of shares of Preferred Stock and Common Stock shall vote together as a single class on all matters.

5. Conversion Rights. The holders of the Series B Convertible Preferred Stock shall have the following rights with respect to the conversion of such shares into shares of Common Stock:

(a) General. Subject to and in compliance with the provisions of this Section 5, any or all shares of the Series B Convertible Preferred Stock may, at the option of the holder thereof (except that upon any liquidation of the Corporation the right of conversion shall terminate at the close of business on the business day fixed for payment of the amounts distributable on the Series B Convertible Preferred Stock), be converted at any time into fully-paid and non-assessable shares of Common Stock. The number of shares of Common Stock to which a holder of Series B Convertible Preferred Stock shall be entitled to receive upon conversion shall be the product obtained by multiplying the Series B Applicable Conversion

Rate for the Series B Convertible Preferred Stock (determined as provided in Section 5(b)) by the number of shares of Series B Convertible Preferred Stock being converted at any time.

(b) Applicable Conversion Rate. The conversion rate in effect at any time for the Series B Convertible Preferred Stock (the "Series B Applicable Conversion Rate") shall be the quotient obtained by dividing \$0.95 by Series B Applicable Conversion Value, calculated as provided in Section 5(c). Initially, the Series B Applicable Conversion Rate shall be one (1), and each share of Series B Convertible Preferred Stock shall initially be convertible into one (1) share of Common Stock.

(c) Applicable Conversion Value. The Series B Applicable Conversion Value in effect from time to time, except as adjusted in accordance with Section 5(d) hereof, shall be \$0.95 with respect to the Series B Convertible Preferred Stock (the "Series B Applicable Conversion Value").

(d) Adjustment to Applicable Conversion Value.

(i)(A) Upon Dilutive Issuances of Common Stock or Convertible Securities. If the Corporation shall, while there are any shares of Series B Convertible Preferred Stock outstanding, issue or sell shares of its Common Stock (or Common Stock Equivalents, as defined below) without consideration or at a price per share less than the Series B Applicable Conversion Value in effect immediately prior to such issuance or sale, then in each such case such Series B Applicable Conversion Value upon each such issuance or sale, except as hereinafter provided, shall be lowered so as to be equal to an amount determined by multiplying the Series B Applicable Conversion Value in effect immediately prior to such calculation by a fraction:

(1) the numerator of which shall be (a) the number of shares of Common Stock outstanding immediately prior to the issuance of such additional shares of Common Stock or Common Stock Equivalents (calculated on a fully-diluted, fully-converted basis assuming the issuance of all shares of Common Stock upon the exercise or conversion of all then exercisable Common Stock Equivalents, as defined in paragraph 5(i)(B)), plus (b) the number of shares of Common Stock which the net aggregate consideration, if any, received by the Corporation for the total number of such additional shares of Common Stock or Common Stock Equivalents so issued would purchase at the Series B Applicable Conversion Value in effect immediately prior to such issuance, and

(2) the denominator of which shall be (a) the number of shares of Common Stock outstanding immediately prior to the issuance of such additional shares of Common Stock or Common Stock Equivalents (calculated on a fully-diluted, fully-converted basis, assuming the issuance of all shares of Common Stock upon the exercise or conversion of all then exercisable Common Stock Equivalents), plus (b) the number of such additional shares of Common Stock or Common Stock Equivalents so issued.

All calculations shall be rounded to four decimal points. The provisions of this Section 5(d)(i)(A) may be waived in any instance (without the necessity of convening any meeting of

stockholders of the Corporation) upon the written consent of the holders of a majority of the outstanding shares of Series B Convertible Preferred Stock.

(i)(B) Upon Other Dilutive Issuances of Warrants, Options and Purchase Rights to Common Stock or Convertible Securities.

(1) For the purposes of this Section 5(d)(i), the issuance of any warrants, options, subscription or purchase rights with respect to shares of Common Stock and the issuance of any securities convertible into or exercisable or exchangeable for shares of Common Stock, or the issuance or sale of any warrants, options, subscription or purchase rights with respect to such convertible, exercisable or exchangeable securities (collectively, "Common Stock Equivalents"), shall be deemed an issuance of Common Stock with respect to the Series B Convertible Preferred Stock if the Net Consideration Per Share (as hereinafter determined) which may be received by the Corporation for such Common Stock Equivalents shall be less than the Series B Applicable Conversion Value in effect at the time of such issuance or sale. Any obligation, agreement or undertaking to issue or sell Common Stock Equivalents at any time in the future shall be deemed to be an issuance or sale at the time such obligation, agreement or undertaking is made or arises. No adjustment of the Series B Applicable Conversion Value shall be made under this Section 5(d)(i) upon the issuance of any shares of Common Stock which are issued pursuant to the exercise, conversion or exchange of any Common Stock Equivalents if any adjustment shall previously have been made upon the issuance of any such Common Stock Equivalents as above provided.

Adjustments for Cancellation or Expiration of Common Stock Equivalents. Any adjustment of the Series B Applicable Conversion Value with respect to this paragraph which relates to Common Stock Equivalents shall be disregarded, in whole or in part, as applicable, if, as, and when all, or such portion, of such Common Stock Equivalents expire or are cancelled without being exercised, so that the Series B Applicable Conversion Value effective immediately upon such cancellation or expiration shall be equal to the Series B Applicable Conversion Value in effect at the time of the issuance of the expired or cancelled Common Stock Equivalents, with such additional adjustments as would have been made to the Series B Applicable Conversion Value had the expired or cancelled Common Stock Equivalents not been issued.

(2) Net Consideration Per Share. For purposes of this paragraph, the "Net Consideration Per Share" which may be received by the Corporation shall be determined as follows:

(a) The "Net Consideration Per Share" shall mean the amount equal to the total amount of consideration, if any, received by the Corporation for the issuance or sale of such Common Stock Equivalents, plus the minimum amount of consideration, if any, payable to the Corporation upon exercise, or conversion or exchange thereof, divided by the aggregate number of shares of Common Stock that would be issued if all such Common Stock Equivalents were exercised, exchanged or converted.

(b) The "Net Consideration Per Share" which may be received by the Corporation shall be determined in each instance as of the date of issuance or sale of

Common Stock Equivalents without giving effect to any possible future upward price adjustments or rate adjustments which may be applicable with respect to such Common Stock Equivalents.

(i)(C) Stock Dividends for Holders of Capital Stock Other Than Common Stock. In the event that the Corporation shall make or issue, or shall fix a record date for the determination of holders of any capital stock of the Corporation other than holders of Common Stock entitled to receive a dividend or other distribution payable in Common Stock or securities of the Corporation convertible into, exercisable for or otherwise exchangeable for the Common Stock of the Corporation, then, for purposes of determining the Net Consideration Per Share, such Common Stock or other securities issued in payment of such dividend shall be deemed to have been issued for a consideration of \$.001, except for (i) dividends payable in shares of Common Stock payable pro rata to holders of Series B Convertible Preferred Stock and to holders of any other class of stock (whether or not paid to holders of any other class of stock) or (ii) with respect to the Series B Convertible Preferred Stock, dividends payable in shares of Series B Convertible Preferred Stock provided, however, that holders of any shares of Series B Convertible Preferred Stock shall be entitled to receive such shares of Common Stock for which the shares of Series B Convertible Preferred Stock are then convertible.

(i)(D) Consideration Other than Cash. For purposes of this Section 5(d)(i), if a part or all of the consideration received by the Corporation in connection with the issuance of shares of the Common Stock or the issuance of any of the securities described in this Section 5(d)(i) consists of property other than cash, such consideration shall be deemed to have a fair market value as is reasonably determined in good faith by the Board of Directors of the Corporation.

(i)(E) Exceptions to Anti-dilution. This Section 5(d)(i) shall not apply under any of the circumstances which would constitute an Extraordinary Common Stock Event (as described below). Further, this Section 5(d)(i) shall not apply with respect to:

(1) the issuance or sale from time to time of shares of Common Stock or options to purchase such shares of Common Stock, issuable to directors, officers, employees and consultants of the Corporation or any subsidiary pursuant to any qualified or non-qualified stock option or purchase plan approved by the Board of Directors of the Corporation (the "Reserved Employee Shares");

(2) the issuance of shares of Common Stock upon the conversion of any shares of Series B Convertible Preferred Stock;

(3) any shares issued by the Corporation in connection with any strategic alliance, joint venture or licensing agreement where the parties to such venture are not financial investors; provided that the issuance of such shares does not exceed 15% of the total number of shares issued and outstanding (on a fully diluted and fully converted basis) of the Corporation;

(4) any shares issued pursuant to this Section 5; and

(5) any shares issued upon the exercise or conversion of an option, warrant, preferred stock, debenture or any other convertible security ("Convertible Security").

provided that the issuance of such Convertible Security was (a) subject to this Section 5(d)(i) (regardless of whether the subscriber elected to exercise such rights under this Section 5(d)(i)) or (b) exempted under this Section 5(d)(i); provided; however, that any issuance below \$0.95 per share (subject to the Series B Applicable Conversion Rate) with respect to subsection (3) above shall not be exempted from the provisions of this Section 5(d)(i).

(d)(ii) Upon Extraordinary Common Stock Event. Upon the happening of an Extraordinary Common Stock Event (as hereinafter defined), the Series B Applicable Conversion Value (and all other conversion values set forth in Section 5(d)(i) above) shall, simultaneously with the happening of such Extraordinary Common Stock Event, be adjusted by multiplying the Series B Applicable Conversion Value by a fraction, the numerator of which shall be the number of shares of Common Stock outstanding immediately prior to such Extraordinary Common Stock Event and the denominator of which shall be the number of shares of Common Stock outstanding immediately after such Extraordinary Common Stock Event, and the product so obtained shall thereafter be the Series B Applicable Conversion Value. The Series B Applicable Conversion Value, as so adjusted, shall be readjusted in the same manner upon the happening of any successive Extraordinary Common Stock Event or Events.

An "Extraordinary Common Stock Event" shall mean (i) the issue of additional shares of Common Stock as a dividend or other distribution on outstanding shares of Common Stock, (ii) a subdivision of outstanding shares of Common Stock into a greater number of shares of Common Stock, (iii) a combination or reverse stock split of outstanding shares of Common Stock into a smaller number of shares of Common Stock, or (iv) a reclassification of the outstanding shares of Common Stock.

(c) Automatic Conversion Upon Initial Public Offering or Election of Preferred Stock

(i) Mandatory Conversion of Series B Convertible Preferred Stock. Immediately upon (1) the closing of an underwritten public offering on a firm commitment basis pursuant to an effective registration statement filed pursuant to the Securities Act of 1933, as amended, covering the offer and sale of Common Stock for the account of the Corporation in which the Corporation actually receives gross proceeds equal to or greater than \$10,000,000 (calculated before deducting underwriter's discounts and commissions but before calculation of expenses), and in which the price per share of Common Stock equals or exceeds \$1.90 (such price subject to equitable adjustment in the event of any stock dividend, stock split, combination, reorganization, recapitalization, reclassification or other similar event involving a change in the capital structure of the Corporation), or (2) the effective date of the conversion of sixty-six and two thirds percent (66 2/3%) of the then outstanding shares of Series B Convertible Preferred Stock pursuant to the approval of such holders of Series B Convertible Preferred Stock, set forth in a written notice to the Corporation, of an election to convert such Series B Convertible Preferred Stock into Common Stock then all outstanding shares of Series B Convertible Preferred Stock shall be converted automatically into the number of shares of Common Stock into which such shares of Series B Convertible Preferred Stock are then convertible pursuant to Section 5 hereof as of the effectiveness of such underwritten public offering or the stated date of approval of such holders of Series B Convertible Preferred Stock without any further action by

the holders of such shares and whether or not the certificates representing such shares are surrendered to the Corporation or its transfer agent.

(ii) Surrender of Certificates Upon Mandatory Conversion. Upon the occurrence of the conversion events specified in the preceding paragraph (i), the holders of the Series B Convertible Preferred Stock shall, upon notice from the Corporation, surrender the certificates representing such shares at the office of the Corporation or of its transfer agent for the Common Stock. Thereupon, there shall be issued and delivered to such holder a certificate or certificates for the number of shares of Common Stock into which the shares of Series B Convertible Preferred Stock so surrendered were convertible on the date on which such conversion occurred. The Corporation shall not be obligated to issue such certificates unless certificates evidencing the shares of Series B Convertible Preferred Stock being converted are either delivered to the Corporation or any such transfer agent, or the holder notifies the Corporation that such certificates have been lost, stolen or destroyed and executes an agreement satisfactory to the Corporation to indemnify the Corporation from any loss incurred by it in connection therewith.

(f) Dividends. In the event the Corporation shall make or issue, or shall fix a record date for the determination of holders of Common Stock entitled to receive a dividend or other distribution (other than a distribution in liquidation or other distribution otherwise provided for herein) with respect to the Common Stock payable in (i) securities of the Corporation other than shares of Common Stock, or (ii) other assets (excluding cash dividends or distributions), then and in each such event provision shall be made so that the holders of the Series B Convertible Preferred Stock shall receive upon conversion thereof in addition to the number of shares of Common Stock receivable thereupon, the number of securities or such other assets of the Corporation which they would have received had their Series B Convertible Preferred Stock been converted into Common Stock on the date of such event and had they thereafter, during the period from the date of such event to and including the Conversion Date (as that term is hereafter defined in Section 5(j)), retained such securities or such other assets receivable by them during such period, giving application to all other adjustments called for during such period under this Section 5 with respect to the rights of the holders of the Series B Convertible Preferred Stock.

(g) Capital Reorganization or Reclassification. If the Common Stock issuable upon the conversion of the Series B Convertible Preferred Stock shall be changed into the same or different number of shares of any class or classes of capital stock, whether by capital reorganization, recapitalization, reclassification or otherwise (other than a subdivision or combination of shares or stock dividend provided for elsewhere in this Section 5, or the sale of all or substantially all of the Corporation's capital stock or assets to any other person), then and in each such event the holder of each share of Series B Convertible Preferred Stock shall have the right thereafter to convert such share into the kind and amount of shares of capital stock and other securities and property receivable upon such reorganization, recapitalization, reclassification or other change by the holders of the number of shares of Common Stock into which such shares of Series B Convertible Preferred Stock might have been converted immediately prior to such reorganization, recapitalization, reclassification or change, all subject to further adjustment as provided herein.